Md Nayan bin Salleh & Anor v Weida Resources Sdn Bhd & Ors

HIGH COURT (KUCHING) — SUIT NO KCH-22IP-3/10 OF 2014
STEPHEN CHUNG J
29 DECEMBER 2016

Evidence — Expert evidence — Weight of evidence — Expert's failure to affirm written report

Patents — Invention — Grant of patent — Whether first plaintiff had patentable invention — Whether first plaintiff's application for patent converted into application for certificate for utility innovation — Whether defendants infringed patent — Whether plaintiffs established that defendants infringed first plaintiff's utility innovation on balance of probabilities — Counterclaim — Whether first plaintiff's utility innovation should be invalidated — Whether defendants should be awarded damages for unlawful interference with their trade and libel for injuring reputation of first to fourth defendants

Md Nayan bin Salleh ('the first plaintiff') claimed that he had been granted a Malaysian patent, for his invention, a device known as SIMPAK that was capable of screening and separating food waste, oil and grease ('the SIMPAK grease trap'). Pujatasara Sdn Bhd ('the second plaintiff') claimed to be the sole agent of the first plaintiff's patent rights. The plaintiffs complained that the first, second and third defendants had been using the SIMPAK grease trap to obtain profits and that the fourth and fifth defendants had been using the SIMPAK grease trap at their various food premises in Kuching without the knowledge and consent of the plaintiffs. Consequently, the plaintiffs filed the present suit against the defendants for infringing the patent and thereby causing the plaintiffs to suffer loss and damages. By way of this action the plaintiffs sought, inter alia, a declaration that the SIMPAK grease trap patent was valid and had been infringed by the defendants, an injunction to restrain the defendants from infringing the patent and for damages. The first to third defendants denied the allegations of infringement and contended that the grease traps manufactured and sold by them were not similar to the first plaintiff's utility innovation. The fourth and fifth defendants also denied the plaintiffs' claims and submitted that the grease traps installed on their premises complied with the requirements of the local authority. The first to fourth defendants also submitted that the SIMPAK grease trap was not a patentable invention and that it was not new in that it formed part of the prior art before the priority date of the SIMPAK grease trap. The first to fourth defendants thus filed a counterclaim seeking, inter alia, an order that the first plaintiff's utility

innovation be invalidated, a declaration that the sale of the first to third defendants' grease trap did not constitute an act infringing the first plaintiff's utility innovation and an order for general and aggravated damages for unlawful interference with their trade and libel for injuring the reputation of the first to third defendants.

Held, dismissing the plaintiffs' claim with costs of RM25,000 to the first to fourth defendants and costs of RM15,000 to the fifth defendant; allowing the counterclaim in part with damages to be assessed:

(1) The evidence clearly showed that the first plaintiff's application for a patent was not granted and that his application for a grant of a patent was then converted to an application for a utility innovation. The plaintiffs had not produced any certificate issued to the first plaintiff for a grant of a patent for the SIMPAK grease trap. Thus, although the plaintiffs used the term patent, the first plaintiff did not have a patent for the SIMPAK grease trap. Instead the first plaintiff had only been granted a certificate for a utility innovation for the SIMPAK grease trap. As such, based on the plaintiffs' pleadings and the evidence adduced, the defendants could not and did not infringe the alleged patent (see paras 20–25).

(2) Notwithstanding the plaintiffs' failure to plead an infringement of the utility innovation, this issue had to be considered. In order to determine this issue, it was necessary to examine the evidence of the expert evidence relied on by both parties. Although O 40A of the Rules of Court 2012 directed all expert evidence given at the trial of the action to be in a written report affirmed by the expert and containing details of the qualifications of the expert, the plaintiff's expert witness had not affirmed any affidavit that he was an expert in grease traps or produced his report giving his expert opinion. The plaintiff's expert also did not testify whether and why the first to third defendants' grease trap had infringed the first plaintiff's patent or utility innovation. The plaintiffs also did not give any priority date or priority data on their utility innovation. On the other hand, the defendants' expert witness had affirmed an affidavit enclosing his expert opinion report. In the opinion of the defendants' expert the two grease traps, ie the SIMPAK grease trap and first to third defendants' grease trap, were different. On a balance of probabilities, the plaintiffs had failed to establish that the defendants had infringed the plaintiffs' utility innovation in respect of the SIMPAK grease trap (see paras 29–31 & 35–36).

(3) Although in the counterclaim the first to fourth defendants had prayed that the utility innovation was not valid and should be set aside, the witnesses for the first to fourth defendants had not testified as such and the first to fourth defendants had not in their submissions addressed the issues. In particular, the defendants' expert witness had not pinpointed or

set out which or what part of the SIMPAK grease trap claimed as a utility innovation was not a utility innovation within s 17 of the Patents Act 1983 ('the Act') or was excluded under s 13 of the Act. The defendants had also not called the registrar from MYIPO as a witness to explain whether the utility innovation was valid or otherwise and whether it should be invalidated. In the circumstances, the first to fourth defendants had failed to prove on a balance of probabilities that the certificate for a utility innovation for the SIMPAK grease trap should be invalidated and as such, there was no necessity to grant the declarations sought by them (see paras 41–42).

(4) The news publication that the first to third defendants had wrongfully infringed the first plaintiff's patent and copied the plaintiffs' products in their business to the detriment of the plaintiffs was intended to impute that the first to third defendants were unscrupulous in their business dealings. The first to fourth defendants had established that the plaintiffs in the publication had libeled them in their business and trade. Thus, the first to fourth defendants were entitled to damages to be assessed by the senior assistant registrar (paras 43 & 50).

[Bahasa Malaysia summary

Md Nayan bin Salleh ('plaintif pertama') mendakwa diberi paten dari Malaysia bagi rekaannya, satu alat yang dikenali sebagai SIMPAK yang boleh mengesan dan mengasingkan sisa makanan, minyak dan gris ('perangkap gris SIMPAK'). Pujatasara Sdn Bhd ('plaintif kedua') mendakwa syarikatnya adalah satu-satunya ejen hak paten plaintif pertama. Plaintif-plaintif mengadu bahawa defendan pertama, kedua dan ketiga telah menggunakan perangkap gris SIMPAK untuk meraih keuntungan dan bahawa defendan keempat dan kelima telah menggunakan perangkap gris SIMPAK di pelbagai premis makanan di Kuching tanpa pengetahuan dan kebenaran plaintif-plaintif. Berikutan itu, plaintif-plaintif memfailkan guaman ini terhadap defendan-defendan kerana melanggar paten dan seterusnya menyebabkan plaintif-plaintif mengalami kerugian dan kerosakan. Melalui tindakan ini, plaintif-plaintif memohon, antara lain, satu perisytiharan bahawa paten perangkap gris SIMPAK adalah sah dan telah dilanggar oleh defendan-defendan, satu injunksi menghalang defendan-defendan daripada melanggar paten dan bagi ganti rugi. Defendan pertama hingga ketiga menafikan dakwaan-dakwaan tersebut dan menghujahkan bahawa perangkap gris yang dikilangkan dan dijual oleh mereka tidak serupa dengan inovasi utiliti plaintif pertama. Defendan keempat dan kelima juga menafikan tuntutan plaintif-plaintif dan menghujahkan bahawa perangkap gris yang dipasang pada premis mereka mematuhi syarat-syarat pihak berkuasa tempatan. Defendan pertama hingga keempat juga menghujahkan bahawa perangkap gris SIMPAK bukanlah ciptaan yang boleh dipatenkan dan bahawa ini bukanlah baharu dan membentuk sebahagian ciptaan terdahulu sebelum tarikh terdahulu

perangkap gris SIMPAK. Defendan pertama hingga keempat seterusnya memfailkan tuntutan balas memohon, antara lain, satu perintah inovasi utiliti plaintif pertama dibatalkan, satu deklarasi bahawa jualan perangkap gris defendan pertama hingga ketiga tidak membentuk pelakuan yang melanggar inovasi utiliti plaintif pertama dan satu perintah ganti rugi am dan teruk bagi campur tangan salah dagangan mereka dan bagi fitnah kerana merosakkan reputasi defendan pertama hingga ketiga.

Diputuskan, menolak tuntutan plaintif-plaintif dengan kos sebanyak RM25,000 kepada defendan pertama hingga keempat dan kos sebanyak RM15,000 kepada defendan kelima; membenarkan sebahagian tuntutan balas dengan ganti rugi untuk ditaksir.

(1) Keterangan jelas menunjukkan bahawa permohonan paten plaintif pertama tidak diberikan dan permohonannya bagi mendapatkan paten kemudian ditukar menjadi permohonan inovasi utiliti. Plaintif-plaintif tidak mengemukakan apa-apa sijil yang dikeluarkan kepada plaintif pertama bagi mendapatkan paten perangkap gris SIMPAK. Oleh itu, walaupun plaintif-plaintif menggunakan terma paten, plaintif pertama tidak mempunyai paten bagi perangkap gris SIMPAK. Sebaliknya, plaintif pertama hanya diberi sijil inovasi utiliti bagi perangkap gris SIMPAK. Maka berdasarkan pliding plaintif-plaintif dan keterangan yang dikemukakan, defendan-defedan tidak boleh dan tidak mungkin melanggar paten yang didakwa (lihat perenggan 20–25).

(2) Walaupun plaintif-plaintif gagal memplidkan pelanggaran inovasi utiliti, isu ini tidak dipertimbangkan. Untuk menentukan isu ini, keterangan kesemua saksi-saksi pakar yang dirujuk pihak-pihak mesti diperiksa. Walaupun A 40A Kaedah-Kaedah Mahkamah 2012 mengarahkan agar kesemua keterangan pakar yang diberi ketika perbicaraan dibuat melalui laporan bertulis disahkan oleh pakar dan mengandungi butiran kelayakan pakar tersebut, saksi pakar plaintif tidak mengesahkan apa-apa afidavit bahawa dia pakar dalam perangkap gris atau mengemukakan laporan bagi pendapat pakarnya. Pakar plaintif juga tidak memberi keterangan sama ada dan mengapa perangkap gris defendan pertama hingga ketiga melanggar paten atau inovasi utiliti plaintif pertama. Plaintif-plaintif tidak memberi tarikh penting bagi inovasi utilitinya. Sebaliknya, keterangan pakar saksi-saksi defendan-defendan mengesahkan afidavit melampirkan laporan keterangan pendapatnya. Pada pendapat pakar-pakar defendan-defendan, kedua-dua perangkap gris tersebut iaitu perangkap gris SIMPAK dan perangkap gris defendan-defendan adalah lain. Atas imbangan kebarangkalian, plaintif-plaintif gagal membuktikan bahawa defendan-defendan telah melanggar inovasi utiliti plaintif-plaintif bagi perangkap gris SIMPAK (lihat perenggan 29–31 & 35–36).

(3) Walaupun tuntutan balas defendan pertama hingga keempat memohon agar inovasi utiliti tidak sah dan wajar diketepikan, saksi-saksi defendan pertama hingga keempat tidak memberi keterangan sedemikian dan dalam hujahan mereka, defendan pertama hingga keempat tidak mengutarakan isu tersebut. Khususnya, saksi pakar defendan-defendan tidak menunjukkan atau menyatakan yang mana atau bahagian mana perangkap gris SIMPAK yang dikatakan inovasi utiliti bukan inovasi utiliti dalam s 17 Akta Paten 1983 ('Akta') atau tidak dimasukkan bahawa s 13 Akta. Defendan-defendan juga tidak memanggil pendaftar MYIPO sebagai saksi untuk menerangkan sama ada inovasi utiliti sah atau sebaliknya dan sama ada harus dibatalkan. Dalam hal keadaan ini, defendan pertama hingga keempat gagal membuktikan, atas imbangan kebarangkalian, bahawa sijil inovasi utiliti bagi perangkap gris SIMPAK wajar dibatalkan dan dengan demikian, tiada keperluan membenarkan deklarasi yang mereka pohon (lihat perenggan 41–42).

(4) Terbitan berita bahawa defendan pertama hingga ketiga telah dengan salah melanggar paten plaintif dan meniru produk plaintif-plaintif dalam perniagaan mereka hingga menjejaskan plaintif-plaintif adalah diniatkan untuk mengaitkan defendan pertama hingga ketiga tidak berprinsip dalam urusan perniagaan mereka. Defendan pertama hingga keempat membuktikan bahawa plaintif-plaintif telah memfitnah mereka dalam terbitan tersebut melalui perniagaan dan dagangan mereka. Oleh itu defendan pertama hingga keempat berhak atas ganti rugi yang ditaksir oleh penolong kanan pendaftar (lihat perenggan 43 & 50).]

Notes

For a case on weight of evidence, see 7(2) *Mallal's Digest* (5th Ed, 2017 Reissue) para 2058.

Cases referred to

Acrow (Automation) Ltd v Rex Chainbelt Inc and another [1971] 3 All ER 1175; [1971] 1 WLR 1676, CA (refd)

Cadware Sdn Bhd v Ronic Corp [2013] 6 MLJ 19, CA (refd)

Catnic Components Ltd and Another v Hill and Smith Ltd [1982] RPC 183, HL (refd)

Drummond-Jackson v British Medical Association and others [1970] 1 All ER 1094, CA (refd)

Heveafoam Asia Sdn Bhd v PF (Teknologi) Sdn Bhd [2001] 2 MLJ 660, HC (refd)

Keep Good Feel Corp Sdn Bhd (previously known as Fasa Bebas Sdn Bhd) & Anor v Pharma World (M) Sdn Bhd & Ors [2010] 1 MLJ 242; [2009] 1 LNS 843, HC (refd)

Kendek Industry Sdn Bhd v Ecotherm (TFT) Sdn Bhd [2010] MLJU 333; [2010] 10 CLJ 219, HC (refd)

Lim Choong Huat & Ors v Syntlz Enterprise Sdn Bhd & Ors [2010] 1 CLJ 860, HC (refd)
Marconi and Marconi's Wireless Telegraph Co Ltd v British Radio-Telegraph and Telephone Co Ltd (1911) 28 RPC 181, Ch D (refd)
Premier Products Co Ltd & Anor v Zamrud Fibre Industries (M) Sdn Bhd & Anor [1994] MLJU 153; [1994] 4 CLJ 1043, HC (refd)
SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor [2015] 6 MLJ 293, FC (refd)
Tan Chong & Son Motor Co Sdn Bhd v Borneo Motors (M) Sdn Bhd & Anor [2001] 3 MLJ 140; [2001] 4 CLJ 296, HC (refd)
The General Tire & Rubber Company v The Firestone Tyre and Rubber Company Limited and Others [1972] RPC 457, SC (refd)

Legislation referred to

Patents Act 1983 ss 13, 17, 17A, 17B, 17B(1), (3), (4), 17C, 17C(4), 30, 30(1), (2), 31(1), 31(2), 56(1), (2)(a), Parts IV, IVA, Second Schedule
Patent Regulations 1986 Form Nos 1, 5G
Registration of Engineers Act 1967
Rules of the Court 2012 O 40A

Jimmy Maja (Maja & Assoc) for the first and second plaintiffs.
Cecil Ha (Ibrahim & Co Advocates) for the first to fourth defendants.
Wilfred Yap Hau Sin (Wan Junaidi & Co Advocates) for the fifth defendant.

Stephen Chung J:

[1] The first plaintiff claimed that he is an inventor of a system for the purpose of screening and separation of food waste, oil and grease and is the registered proprietor of a Malaysian Patent No MY-135509-A titled 'SIMPAK — Sistem Penyaringan dan Pengasingan Sisa Makanan, Lemak dan Gris'. He claimed it is at all material times in force under the Patents Act 1983. He has also registered 'SIMPAK' as his trademark.

[2] In para 10 of the statement of claim, the particulars of the patent are pleaded as follows:

> A tank which is rectangular and a cover. It has various important components, among others a screening container located at the top level inside the tank which functions as a trap for the food waste. There is a filter wall located in the tank which functions as a retention time for the purpose of separating the mass molecule of the water from the oil. 'T' trap is located in the tank functions as a trap for oil and grease and at the same time it allows clear and fresh water to go out to the drain or the other outlets. Whereby the screening container connecting to a pipe conduit located on the top level in the tank is to prevent food waste from sinking. The screening container has a wall with minute holes which are suitable for the screening and

separation of the food waste, oil and grease to be effective.

[3] The second plaintiff claimed that its business is in the installation, maintenance and repair of food, oil and grease traps. It has a power of attorney and the sole agent of the patent rights from the first plaintiff including selling the patent (product) and taking legal proceedings for the state of Sarawak. In May 2011 and January 2014, the plaintiffs had issued a warning notice that they are the owners of Patent MY-135509-A and prohibited anyone from infringing the patent.

[4] The plaintiffs complained that the first, second and third defendants have used the first plaintiff's invention without the knowledge and consent of the first and second plaintiffs. The plaintiffs complained that the first, second and third defendants were using its grease trap to obtain profits by infringing the patent and that the fourth and fifth defendants used the grease trap at their various food premises in Kuching without the knowledge and consent of the first and second plaintiffs.

[5] The plaintiffs contended that the defendants have infringed, threatened and intended to continue to infringe the patent unless restrained by the court. The plaintiffs claimed that they have suffered loss and damages. The plaintiffs prayed, inter alia, for: (a) a declaration that the Patent No MY-135509-A is valid and has been infringed by the defendants; (b) an injunction to restrain the defendants, its directors, officers, employees, servants or agents or otherwise howsoever from infringing the patent; and (c) for damages amounting to millions. It must be noted that the plaintiffs did not plead and did not claim that the defendants have infringed the plaintiffs' 'SIMPAK' trademark.

[6] The first to third defendants denied the allegations of infringement. They contended that since 1998 they have developed, manufactured and have been selling grease traps bearing the registered trademark POLYTRAP and/or WEIDA.

[7] The first to third defendants contended that at no time they had infringed the first plaintiff's utility innovation bearing Certificate No MY-135509-A. They contended that the grease traps manufactured and sold by the first to third defendants are not similar and not identical to the first plaintiff's grease trap or utility innovation.

[8] The fourth defendant denied the plaintiffs' claims against the fourth defendant. The fourth defendant contended that any items or grease traps installed at the fourth defendant's premises were done in compliance with the requirements of the local authorities and there was no requirement for the

fourth defendant to obtain the plaintiffs' permission to procure or install the grease traps.

[9] The first to the fourth defendants contended that the plaintiffs caused to be published a press statement in relation to an injunction obtained against the first defendant with an alleged claim amounting to RM536m. The defendants contended that the plaintiffs knowing of the reputation of the first defendant had wrongfully and with intent to injure the first defendant's business. The defendants contended that they have lost customers, potential customers and profits and have been greatly injured in their business and put into considerable trouble, inconvenience and expense. They contended that they have thereby suffered loss and damages.

[10] The first to the fourth defendants submitted that the first plaintiff's invention, the subject of the utility innovation, is not a patentable invention. They submitted that it is not new which formed part of the prior art before the priority date of the said invention, which has been disclosed to the public and that the subject matter of each of the documents was at all material times common general knowledge.

[11] In their counterclaim, the first to fourth defendants pleaded that the plaintiffs have published a press statement with intent to injure the defendants business and sought for: (i) a declaration that the Malaysian Utility Innovation Certificate No MY-135509-A is and has always been invalid and not a utility innovation; (ii) an order that the plaintiff's utility innovation be invalidated and revoked and the order be served on the registrar; (iii) that the registrar shall take such action as may be necessary to revoke and remove the utility innovation under Utility Innovation Certificate No MY-135509-A including the publication of such revocation in the relevant government *gazette* from the Register; (iv) a declaration that the making, importing, offering for sale, selling or using the first to third defendants' grease trap bearing the trademark WEIDA or POLYTRAP or any other product manufactured or sold by the first to third defendants did not constitute an act infringing the first plaintiff's Malaysian Utility Innovation bearing Certificate No MY-135509-A; and (v) for general and aggravated damages.

[12] The fifth defendant contended that the dispute on ownership of the patent did not, and should not, involve the fifth defendant, which involved the plaintiffs and the first to third defendants. DW4, a director of the fifth defendant, testified that the 56 units of Polytrap device at Medan Niaga Satok, Kuching were installed by its contractor HMN Nadhir Sdn Bhd on the recommendation and approval of its consultant Perunding MALCA in accordance to the requirements of DBKU for the project. He said it made no difference to the fifth defendant what type of grease trap was used as long it

complied with the requirements of DBKU. He said the grease traps installed did not infringe the plaintiffs' patent and the fifth defendant was not aware of any product marketed under the patent. He said based on the alleged profit margin of RM250 per unit of his product, the plaintiffs' claim of RM56m against the fifth defendant is frivolous, vexatious and an abuse of court process.

[13] The first plaintiff testified that he has been granted a patent for Malaysia for his invention for the purpose for screening and separation of food waste, oil and grease in a device known as 'SIMPAK'. He said the patent was *gazetted* on 1 January 2009. The plaintiffs continued to refer to it as a patent and submitted that he has been granted a patent. He referred to an advertisement published on 1 January 2009 in the government *gazette* (see pp 21–22 of BOD1) which he said supported his contention that he has been granted the patent.

[14] Therefore the plaintiffs submitted that s 17C of the Act is not relevant and not applicable in this trial because it was not pleaded by the parties (see paras 66–71 of the plaintiff's submission). With due respect to counsel for the plaintiffs, there were no merits in the submissions. Sections 17, 17A, 17B and 17C, which constitute Part IVA of the Act, read together with the provisions set out in the Second Schedule, deal with and provide for utility innovations. The plaintiffs appeared to be in denial and continued to refer to his invention as a patent.

[15] Was the first plaintiff granted a patent for his invention? The burden is on the plaintiffs to establish their claims against the defendants for infringement of his patent. In determining patent infringement, a patent specification should be given a purposive construction rather than a purely liberal one. The question in each case is whether persons, with practical knowledge and experience of the kind of work in which invention was intended to be used, would understand that strict compliance with a particular descriptive word or phrase appearing in a claim was intended by the patentee to be an essential requirement of the invention so that any variant would fall outside the monopoly claimed, even though it could have no material effect upon the way invention worked: see *Catnic Components Ltd and Another v Hill and Smith Ltd* [1982] RPC 183; *Kendek Industry Sdn Bhd v Ecotherm (TFT) Sdn Bhd* [2010] MLJU 333; [2010] 10 CLJ 219; *Cadware Sdn Bhd v Ronic Corp* [2013] 6 MLJ 19.

[16] Under Part IV of the Patents Act 1983, an invention is patentable if it is new, involves an inventive step and is industrially applicable. An invention means an idea of an inventor which permits in practice the solution to a specific problem in the field of technology or may be or may relate to a product or process. An invention is new if it is not anticipated by prior art: see *Premier Products Co Ltd & Anor v Zamrud Fibre Industries (M) Sdn Bhd & Anor* [1994]

MLJU 153; [1994] 4 CLJ 1043; *Lim Choong Huat & Ors v Syntlz Enterprise Sdn Bhd & Ors* [2010] 1 CLJ 860.

[17] Whereas Part IVA provides for 'Utility Innovations'. Section 17 defines 'utility innovation' to mean any innovation which creates a new product or process, or any new improvement of a known product or process, which is capable of industrial application, and includes an invention. Part IVA provides for a separate regime or procedures for an application, grant and registration of a utility innovation in respect of a product or process. These two parts of the Act provide for two exclusive regimes, one for patent and another for utility innovation.

[18] Section 17B(1) specifically states that an application for a patent may be converted into an application for a certificate for a utility innovation. However, sub-s (3) provides that a request to convert an application for a patent into an application for a utility innovation shall be filed by the applicant and shall comply with regulations made under the Act. Under sub-s (4), a request for conversion shall be filed not less than six months from the date the registrar makes known to the applicant the report made by the examiner in accordance with sub-s 30(1) or (2).

[19] Section 17C states that if an applicant for a patent has also been issued with a certificate for utility innovation and the subject matter of the application for a patent is the same as the subject matter of the certificate issued for a utility innovation, a patent shall not be granted until the certificate for a utility innovation has been surrendered.

[20] The evidence showed that on 14 May 2005, the first plaintiff applied for a grant of a patent vide Patent Form No 1 in respect of 'SIMPAK — Sistem Penaringan dan Pengasingan Sisa Makanan, Lemak dan Gris' with nine sheets of supporting documents. On 13 September 2005 the first plaintiff applied to amend the word 'Penaringan' to 'Penyaringan' in his application.

[21] On 30 May 2008, the Registrar of Patents in accordance to s 17A and s 31(2) of the Act granted a certificate number MY-135509-A to the first plaintiff for a utility innovation in respect of 'SIMPAK — Sistem Penyaringan dan Pengasingan Sisa Makanan, Lemak dan Gris' ('Simpak grease trap').

[22] Clearly the first plaintiff's application for a patent was not granted. Pursuant to s 30 of the Act, based on a report by the examiner of the first plaintiff's application for a patent in respect of his Simpak grease trap, which was not produced or exhibited in court, it did not qualify for a grant of a patent and his application for the patent was then converted to an application for a utility innovation. The plaintiffs did not give any explanation why they did not

produce or failed to produce the examiner's report or when did he withdraw the application for the patent or when did he apply to convert his application for a patent to a utility innovation. The plaintiffs also did not produce or exhibit 'Form No 5G Request to Convert Application for Patent into Application for Certificate for Utility Innovation or Vice Versa'. The plaintiffs should be more upfront with such disclosures, especially they have sued the defendants for damages for millions of ringgit for infringing his patent as they alleged. If these documents were produced, they would confirm that he was not granted a patent for his Simpak grease trap.

[23] The advertisement referred to and which was published in the *gazette* was in respect of MY-135509-A which is for a utility innovation. The advertisement referred to prior art namely US03/012849A1, US5,505,860A, US5,520,825A and US5,993,646A. Clearly the advertisement was not in respect of a patent granted for the invention of the first plaintiff. The plaintiffs did not produce any certificate issued to the first plaintiff for a grant of a patent for the Simpak grease trap. PW1, an officer from the Malaysian Intellectual Property Office ('MYIPO'), confirmed that the certificate MY-135509-A issued was for a grant of a utility innovation.

[24] Reading the plaintiffs' pleadings, claims and submissions, they are ambiguous and confusing. In paras 30, 31, 32 and 34 of the plaintiffs' statement of claim, the plaintiffs pleaded that the first to the fifth defendants have used the first plaintiff's invention without his knowledge or consent and that the defendants have infringed and continue to infringe the plaintiffs' patent. In para 38 the plaintiffs then prayed for a declaration that Malaysia Patent MY-135509-A is valid and have been infringed by the defendants. Although the plaintiffs used the term 'Malaysia Patent MY-135509-A', the first plaintiff did not have a patent in respect of the Simpak grease trap. Instead he was only granted a certificate for a utility innovation for the Simpak grease trap.

[25] On evidence adduced, the first plaintiff was not granted a patent for his Simpak grease trap and did not have any patent as such. Based on the plaintiffs' pleadings and the evidence adduced, the defendants could not and did not infringe the alleged patent.

[26] Notwithstanding that, the plaintiffs have pleaded that Malaysia Patent MY-135509-A is valid and has been infringed by the defendants. This is in respect of the utility innovation. Did the defendants or any of the defendants infringe the utility innovation granted to the first plaintiff in respect of the Simpak grease trap? The first plaintiff has testified that having checked and inspected the product Polytrap, it was manufactured completely based on the description of his patented product. However, he did not testify or explain how Polytrap had infringed his Simpak grease trap.

[27] The plaintiffs called PW2 as their expert witness. He said he was familiar with the workings of grease trap equipment. He said he was involved in a project in Penang where he installed the grease traps at their kitchen dining hall. He was asked to look at and compared the similarities of the Simpak and Polytrap grease traps. He said based on his knowledge, experience and expertise, the components and functions between Simpak and Polytrap are the same and he concluded that the product of Polytrap was manufactured in accordance with the specifications of the Simpak product which he said is a patented product of the first plaintiff. This approach was similar to that in the case of *Marconi and Marconi's Wireless Telegraph Co Ltd v British Radio-Telegraph and Telephone Co Ltd* (1911) 28 RPC 181 which was deemed to be outdated: see *Cadware Sdn Bhd v Ronic Corp*; *The General Tire & Rubber Company v The Firestone Tyre and Rubber Company Limited and Others* [1972] RPC 457.

[28] Although PW2 held himself to be an expert on grease traps, based on his documents exhibited in the bundle of documents (marked as 'BOD2'), in 2007, PW2 graduated with a bachelor degree in electrical engineering. He was registered with the Institution of Engineers Malaysia in 2015 and with the Board of Engineers Malaysia in 2016, both in the discipline of electrical engineering. Based on his professional interview for the Institution of Engineers, since his graduation, his training, employment and working experience has been in electrical design and electrical installation works and did not have any work experience in the design, production or installation of grease traps. Although PW2 has testified that the Simpak grease trap have baffle plates, the use of baffle plates in the Simpak grease trap was not claimed as such as pleaded in para 10 of the statement of claim. Further, he was asked and he said he was not familiar with the term 'utility innovation'. These contradicted his claims to be an expert in grease traps. Based on his qualification, training, work experience, and testimony, he could not be and is not an expert on grease traps.

[29] Further, pursuant to O 40A of the Rules of the Court 2012, unless the court otherwise directs, the expert evidence to be given at the trial of any action, is to be in a written report signed by the expert and exhibited in an affidavit affirmed by him testifying that the report is his. An expert's report shall give details of his qualifications and of any literature or other material which he has relied on in making the report. The report shall contain a statement setting out the issues which he has been asked to consider, the basis upon which the evidence was given and if applicable, the name and qualifications of the person who carried out any test or experiment which he has used for his report and whether or not such test or experiment was carried out under his supervision. The Rules also require the report to set out where there is a range of opinion on the matters dealt with in the report, to summarise the range of opinion, give

reasons for his opinion and contain a summary of the conclusions reached. The report must contain a statement of belief of correctness of the expert's opinion and contain a statement that he understands that in giving his report, his overriding duty is to the court and that he complies with that duty.

[30] PW2 did not affirm any affidavit that he is an expert in grease traps and did not produce or exhibit his report giving his expert opinion on the workings of the Simpak and Polytrap products. He did not testify and his witness statement did not contain a statement of belief of correctness of his expert opinion, that his overriding duty is to the court and that he has complied with that duty. He did not testify or gave any opinion or the reasons for his opinion. He did not testify whether and why the Polytrap product had infringed the patent or utility innovation of the first plaintiff. Obviously he was not able to because he was not an expert.

[31] It is not in dispute and general knowledge that a patent for a grease trap was granted in the United States of America ('USA') in 1884. Since then there have been many inventive steps or improvements made to the grease trap designs which form prior art. In the *gazette* advertisement, it referred to four publications in respect of prior art published in the USA. These were disclosed and accessible to the public. The plaintiffs however did not explain whether his utility innovation has been anticipated by prior art. The plaintiffs did not give any priority date or priority data on his utility innovation. In the *gazette* publication, it stated under '(30) Priority data: None'.

[32] On evidence adduced, the third defendant designed and manufactured its first Polytrap grease trap model PT-50 in 1999 after it brought back a grease trap from Thailand. Its model PT3 was designed in 2003. These preceded the application of the first plaintiff's application for patent in 2005 and the certificate MY-135509-A for the utility innovation which was granted in 2008.

[33] Counsel for the plaintiffs submitted that the expert witness ('DW1') of the defendants was not an expert because he was not registered as an engineer under the Registration of Engineers Act 1967. However DW1 is not an engineer and did not hold out to be one. DW1 has a PhD degree in the science of biological resources and is employed as a R&D treatment manager with Indah Water Konsortium. He testified as the expert witness of the first to the fourth defendants. He testified that he is a specialist in domestic wastewater treatment microbiology and has 18 years experience in sewage treatment industry.

[34] DW1 has affirmed an affidavit enclosing his expert opinion report on whether MY-135509-A is novel and whether the Polytrap grease trap contains the integers of MY-135509-A. He has made reference to some publications and

materials which he has relied on in making his report in accordance to O 40A of the Rules. There were no merits in the plaintiffs' submission that these publications and materials were not admissible because the makers were not called as witnesses.

[35] In his opinion, DW1 said there are basically two types of grease traps and explained the workings of grease traps. In a hydromechanical grease interceptor ('HGI'), the system works on controlling and distributing water flow throughout the cross sectional areas, thus reducing the flow velocity to allow food, oil and grease ('FOG') separation from wastewater. In a gravity grease interceptor ('GGI'), the system utilises gravity flow and retention times as the primary means of separating FOG from wastewater. He said the grease trap disclosed in MY-135509-A is a HGI type of grease trap. It has a screening container with a filter wall with minute holes to screen and separate FOG whereas the Polytrap is a GGI type of grease trap which is equipped with a stainless steel basket screen, three separation baffles and two T-pipes. He said the two grease traps are different and integer No 4, 6 and 9 are not used in the Polytrap.

[36] On a balance of probabilities, the plaintiffs have failed to establish that the first to the fifth defendants have infringed the plaintiffs' utility innovation in respect of the Simpak grease trap.

[37] In the press statement, the plaintiffs have claimed that they lost profits of RM536m because the first defendant had infringed their patent or utility innovation. The plaintiffs did not adduce evidence how many grease traps have been sold by the first to the third defendants which have infringed the patent or utility innovation of the plaintiffs which caused the plaintiffs to sustain loss of RM536m or RM134m. The plaintiffs also failed to adduce evidence to substantiate how they came up with their claims and calculations for damages amounting to RM536m or RM134m or RM78m against the defendants.

[38] Assuming that the first to the third defendants have sold 134 units of grease traps to the fourth and fifth defendants which were used in their premises, these could not amount to the millions claimed by them. In any event the plaintiffs have failed to prove that the defendants have infringed the patent or utility innovation of the plaintiffs.

[39] In the counterclaim, the first to fourth defendants have prayed that MY-135509-A is not valid and should be invalidated. In respect of the validity of the utility innovation under MY-135509-A, it was granted by MYIPO. Once it has been granted and registered under the Act, it is valid for ten years which was to take effect on the date the certificate for utility innovation was issued. It is for the first to the fourth defendants to establish that it is not valid

and not a utility innovation which should be revoked or invalidated.

[40] Is the utility innovation registered under MY-135509-A valid or should be invalidated. Section 56(1) provides that any aggrieved person may institute court proceedings against the owner of the utility innovation. Under s 56(2)(a), the court shall invalidate the utility innovation if the person requesting the invalidation proves that what is claimed as a utility innovation in the certificate for a utility innovation is not a utility innovation within the meaning of s 17 or is excluded from protection under s 13 or sub-s 31(1).

[41] Although in the counterclaim the first to the fourth defendants have prayed that the utility innovation is not valid and should be set aside, the witnesses for the first to the fourth defendants did not testify as such and the first to the fourth defendants did not in their submissions address the issues.

[42] In particular DW1, their expert witness, did not pinpoint or set out which or what part of the Simpak grease trap claimed as a utility innovation is not a utility innovation within the meaning of s 17 or is excluded under s 13 or sub-s 31(1) of the Act. They did not adduce evidence that the specifications for the utility innovation did not achieve what had been promised and that there was inutility. They did not testify that incomplete or incorrect information has been deliberately provided or caused to be provided to the registrar so that the utility innovation should be invalidated. They did not ask PW1 from MYIPO to explain whether it was valid or otherwise or whether it should be invalidated. They did not call the registrar from MYIPO to explain whether the utility innovation was valid or otherwise and whether it should be invalidated. For the reasons given, the first to the fourth defendants have failed to prove on a balance of probabilities that MY-135509-A should be invalidated and there is no necessity to grant the declarations sought by them as such: see *Heveafoam Asia Sdn Bhd v PF (Teknologi) Sdn Bhd* [2001] 2 MLJ 660; *SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor* [2015] 6 MLJ 293.

[43] The first to the fourth defendants have also counterclaimed the plaintiffs for damages for unlawful interference with their trade and libel for injuring the reputation of the first to the third defendants which they claimed had caused substantial loss to them. The evidence showed that the plaintiffs by an originating summons had applied and obtained an ex parte injunction against the first defendant. A news item was published in the *Berita Harian* in respect of the ex parte injunction obtained and that the plaintiffs have suffered loss and damages amounting to RM536m because the defendants have infringed the first plaintiff's patent.

[44] The plaintiffs denied that the first plaintiff had instructed *Berita Harian*

to print what they printed in the newspaper on 6 November 2014. He said all he did was to inform them of his patent case against the defendants and what they printed was none of his business. The fact is that the news item was published in the *Berita Harian* after PW3 had given a press interview. The contents of the news item published could only come from the first plaintiff. The plaintiffs did not allege or complain that the contents were untrue or made up or fabricated by *Berita Harian* or taken out of context. The plaintiffs did not make any correction or demand for a correction to be inserted in the newspaper.

[45] In the news item in the *Berita Harian*, it stated that the first plaintiff had obtained the ex parte injunction against the first defendant for infringing his patent which had caused him to suffer loss amounting to RM536m. The defendants submitted that the press report was untrue and intended to injure the reputation of the first defendant because the plaintiffs did not plead in this suit or in the originating summons that they have sustained loss amounting to RM536m. At the inter parte hearing the plaintiff's application for the interim injunction was dismissed and the ex parte injunction was discharged.

[46] DW3 had testified that as a result of the press report they had received numerous enquiries from clients and business associates whether they were also liable for damages for buying or using the Polytrap devices which were alleged to have infringed the patent of the plaintiffs. The first to the fourth defendants submitted that their reputation had been injured, that they lost customers and had sustained loss and damages.

[47] In libel, the law presumes everything against the writer, the words presumed to be false and malicious; and it is for the writer to prove, if he can, that the words were true and the comment was fair, or otherwise make good his defence: *Drummond-Jackson v British Medical Association and others* [1970] 1 All ER 1094. The tort of defamation relating to goods or business comes under the category of an action for trade libel. If the statements made about a man's goods or business: (a) is untrue and made maliciously; (b) if they are intended to produce or are reasonably likely to produce damage; and (c) if in the ordinary course of things they do produce, it will be an actionable wrong. Trade libel can be initiated for any type of property inclusive of trademark and patent design: *Keep Good Feel Corp Sdn Bhd (previously known as Fasa Bebas Sdn Bhd) & Anor v Pharma World (M) Sdn Bhd & Ors* [2010] 1 MLJ 242; [2009] 1 LNS 843.

[48] An action for libel will lie where there is a written statement published without lawful justification, or excuse, calculated to convey to those to whom it is published, an imputation on the plaintiffs, injurious to them in their trade, or holding them up to hatred, contempt, or ridicule: *Tan Chong & Son Motor Co Sdn Bhd v Borneo Motors (M) Sdn Bhd & Anor* [2001] 3 MLJ 140; [2001] 4 CLJ 296.

[49] The plaintiffs did not plead justification or that it was fair comment. The plaintiffs did not allege that it was published on an occasion of qualified privilege. They did not establish that the words published in the *Berita Harian* were true. They did not insert a correction in the *Berita Harian* that it was wrongly published or a mistake. They did not withdraw the publication. They did not tender an apology.

[50] It was intended to convey to the public that the first to the third defendants have wrongfully infringed the patent of the first plaintiff and copied the plaintiff's products in their business to the detriment of the plaintiffs. It was intended to impute that the first to the third defendants were unscrupulous in their business dealings or trades. It was intended to hold them up to hatred, contempt or ridicule in the way they conducted their business or trade. The first to the fourth defendants have established that the plaintiffs in the publication have libeled them in their business and trade. A man who is carrying on a lawful trade or calling has a right to be protected from any unlawful interference with it: *Acrow (Automation) Ltd v Rex Chainbelt Inc and another* [1971] 3 All ER 1175; [1971] 1 WLR 1676.

[51] (a) In conclusion, in respect of the plaintiffs' claims:

(i) there is no necessity for the declaration sought that MY-135509-A is valid;

(ii) the plaintiffs' declaration that the defendants have infringed the plaintiffs' patent and or utility innovation under MY-135509-A is dismissed;

(iii) the plaintiffs' claim for injunction to restrain the defendants, their directors, officers, employees, servants or agents or otherwise howsoever from infringing the plaintiffs' patent or innovation utility is dismissed; and

(iv) the plaintiffs claims against the first to the fifth defendants are dismissed with costs.

(b) In respect of the first to the fourth defendants' counterclaim:

(i) the first to the fourth defendants' declarations in prayers 33.1 and 33.2 are dismissed;

(ii) there is no necessity for the declarations sought in prayers 33.3 and 33.4; and

(iii) that general and aggravated damages, if any, to be assessed by the senior assistant registrar.

(c) The plaintiffs to pay costs of RM25,000 to the first to the fourth defendants jointly and costs of RM15,000 to the fifth defendant plus allocator fees.

Plaintiff's claim dismissed with costs.

Reported by Kohila Nesan